

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6676**

**BILL NUMBER:** HB 1352

**NOTE PREPARED:** Jan 8, 2012

**BILL AMENDED:**

**SUBJECT:** Limitation on levy for township assistance.

**FIRST AUTHOR:** Rep. Candelaria Reardon

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that the part of the total township tax rate that is not related to providing fire protection services or paying bonds, loans, and leases related to fire protection services may not exceed 5% of the total tax rate imposed for the year on a person's property within a taxing district.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** The Department of Local Government Finance (DLGF) would be required to issue guidelines related to this provision by June 30, 2012.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Beginning in 2013 under this bill, the township nonfire tax rate may not exceed 5% of the total tax rate in a taxing district where a municipality does not provide fire services.

In 2011, the nonfire township tax rate exceeded 5% of the total rate in 33 taxing districts. Five of those districts contain a municipality that provides fire services. The limitations in this bill would have applied in the other 28 districts. The 5% limit would have caused a total levy reduction of \$843,000 in the 26 townships that serve the 28 districts. The lower tax rate would result both in lower net taxes for properties that have not reached the circuit breaker cap and in lower circuit breaker losses for civil taxing units and school corporations that serve these districts.

**State Agencies Affected:** Department of Local Government Finance.

**Local Agencies Affected:** Civil taxing units and school corporations in affected taxing districts.

**Information Sources:** Local Government Database, DLGF; Gateway Web Site, DLGF.

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.